

6/25/87

To: Councilmembers
From: John Trevino,
Mayor Pro Tem
Date: June 24, 1987
Subject: BUDGET WORKSESSION FOR JUNE 25

We are scheduled to have a budget worksession this Thursday beginning at 9:00 a.m. in the Council Chambers concerning next year's operating budget. I am interested in making the discussion as productive as possible, and would like to try to make the following decisions:

1. PROPERTY TAXES

Can the Council agree to instruct the City Manager to give us budget options along with his recommendation as follows:

- a. No property tax increase option;
- b. Tax increase option to preserve basic services only.
- c. Tax increase to Peveto 8% cap.

In addition to property tax options, can the Council agree to instruct the City Manager to develop options on the following alternative revenues:

- a. Imposing sales tax on residential utility bills.
- b. Urging the Legislature to broaden the sales tax base for both the state and cities.
- c. Develop specific proposals for improved cooperation and cost sharing with Travis County and AISD in the areas of:

capital improvements project management

roadway repair and maintenance
EMS costs
health care costs
school crossing guards
community education
use of prisoner labor
social services and human services

2. SERVICE LEVELS

Can the Council agree to instruct the City Manager to provide options and recommend changes in service levels and response times in his budget submittal necessary to meet the property tax option targets outlined above?

More specifically, can the Council agree to tell the City Manager we want him to strive to limit the impacts on public safety service levels and response times as follows:

- a. Fire response times should not be reduced to more than 4 minutes from the current 3.5 minutes.
- b. Police emergency response times should not be reduced to more than 6 minutes from 5 minutes for life threatening situations.
- c. Response times for EMS should remain at 5 minutes.
- d. Council is willing to reconsider shifting fire fighters from stations with response times averaging less than 3.5 minutes in the inner city to those areas with response times exceeding 4.0 minutes even if it means closing a station like Hyde Park.
- e. Council is willing to consider a different response time standard for the sparsely developed fringe areas or other alternatives to station construction and to minimize service reductions in the inner city area. Develop a specific proposal in the budget submittal.

3. PROGRAM REDUCTIONS OR ELIMINATIONS

Council wants to minimize the reductions or elimination of service programs, but the City Manager should propose cuts necessary to reach the property tax options outlined.

Cuts recommended should come first from the desirable but discretionary services, then from important services and, lastly, from basic services.

4. SALARY POLICIES

Priority should be given to attempting to preserve existing salary and benefit levels.

A general wage increase seems unrealistic and should not be recommended for the coming year.

The City Manager should recommend a salary strategy in his budget submittal which preserves the City's competitiveness in job markets as well as internal equity. But the Council wants to see options for the following:

- a. A 1%, 2%, and 3% across the board salary reduction.
- b. A one year suspension of stability pay.
- c. A temporary reduction in retirement contributions.
- d. The impact of eliminating merit pay.

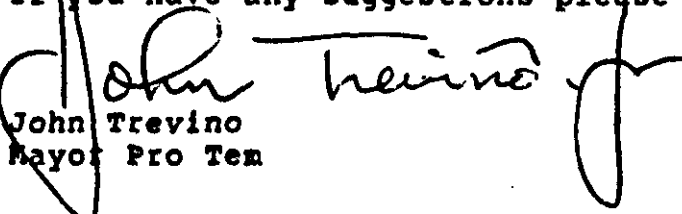
5. FEES AND CHARGES FOR SERVICE

Is the Council willing to direct the City Manager to recommend a cost recovery policy which identifies services which should pay for themselves and the percentage of cost to be recovered?

6. SOCIAL SERVICES AND ARTS FUNDING

Can the Council agree that funding requests will not be considered from new agencies nor for requests above current levels from existing agencies?

This is the direction I would like to take at the worksession. If you have any suggestions please call me before the meeting.


John Trevino
Mayor Pro Tem

Motion - FAILED

Councilmember Shipman made a motion, seconded by Councilmember Humphrey, concerning property tax, directing the City Manager to present budget options a. and c. in the budget document on August 1, 1987.

- a. No property tax increase.
- b. Tax increase to Peveto 8% cap.

Motion FAILED by a vote of 2-3 with Councilmember Nofziger, Mayor Pro Tem Trevino and Councilmember Carl-Mitchell voting No, Mayor Cooksey and Councilmember Urdy absent.

Motion - FAILED

Councilmember Carl-Mitchell made a motion, seconded by Mayor Pro Tem Trevino to instruct the City Manager to present budget option of tax increase to Peveto 8% cap in the budget document on August 1, 1987. (3-2 Vote; Councilmembers Humphrey and Shipman voted No, Mayor Cooksey and Councilmember Urdy absent)

Substitute Motion - FAILED

Councilmember Humphrey made a motion, seconded by Councilmember Shipman to present budgets with Peveto 8% cap and a budget with a 3% increase. Motion FAILED by a vote of 3-2 with Mayor Pro Tem Trevino and Councilmember Carl-Mitchell voting No, Mayor Cooksey and Councilmember Urdy absent)

Motion

The Council, on Councilmember Shipman's motion, Councilmember Carl-Mitchell's second, voted to have figures concerning a sales tax on residential utility bills in the budget. (4-1 Vote, Councilmember Humphrey voted No, Mayor Cooksey and Councilmember Urdy absent)

Motion

The Council, on Councilmember Shipman's motion, Councilmember Humphrey's second, directed that cuts recommended should come first from the desirable but discretionary services, then from important services and lastly, from basic services. Motion passed by unanimous consent.

Council said they were already urging the Legislature to broaden the sales tax base for both the state and cities. Council approved, without a motion, developing specific proposals for improved cooperation and cost sharing with Travis County and AISD in the area of: Capital Improvements Project management; roadway repair and maintenance; EMS costs; health care costs; school guard crossing guards; community education; use of prisoner labor; and social services and human services.

Council discussed the service levels and agreed fire response times should not be reduced to more than 4 minutes from the current 3.5 minutes.

Motion

The Council, on Councilmember Humphrey's motion, Councilmember Carl-Mitchell's second, directed that transportation and public service should be transferred to mid-level to discretionary and desirable. (5-0 Vote, Mayor Cooksey and Councilmember Urdy absent)

Motion

The Council, on Councilmember Carl-Mitchell's motion, Mayor Pro Tem Trevino's second, said they wanted to see options for the following concerning salary policies:

- a. A 1%, 2%, and 3% across the board salary reduction.
- b. A one year suspension of stability pay.
- c. A temporary reduction in retirement contributions.
- d. Graduated payroll reduction with the biggest cuts at the highest level.

Council unanimously approved directing the City Manager to recommend a cost recovery policy which identifies services which should pay for themselves and the percentage of cost to be recovered.

RECESS

Council recessed its meeting at 12:25 p.m. Mayor Pro Tem Trevino announced Council would resume the meeting in the afternoon so they could take another vote on tax rate study when Councilmember Urdy would be present in the Council Chamber. Council resumed its recessed meeting at 3:14 p.m.

Motion

The Council, on Councilmember Carl-Mitchell's motion, Mayor Pro Tem Trevino's second, instructed the City Manager to give them budget options with a tax increase to Peveto 8% cap. (4-2-0 Vote with Councilmembers Humphrey and Shipman voting No, Mayor Cooksey absent)

ADJOURNMENT

Council adjourned its special called meeting at 3:16 p.m.